

SENATE MOTION

MR. PRESIDENT:

I move that Senate Bill 1 be amended to read as follows:

1 Page 19, between lines 4 and 5, begin a new paragraph and insert:
2 "SECTION 13. IC 6-1.1-12-9, AS AMENDED BY P.L.272-2003,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 9. (a) An individual may obtain a deduction
5 from the assessed value of the individual's real property, or mobile
6 home or manufactured home which is not assessed as real property, if:
7 (1) the individual is at least sixty-five (65) years of age on or
8 before December 31 of the calendar year preceding the year in
9 which the deduction is claimed;
10 (2) the combined adjusted gross income (as defined in Section 62
11 of the Internal Revenue Code) of:
12 (A) the individual and the individual's spouse; or
13 (B) the individual and all other individuals with whom:
14 (i) the individual shares ownership; or
15 (ii) the individual is purchasing the property under a
16 contract;
17 as joint tenants or tenants in common;
18 for the calendar year preceding the year in which the deduction
19 is claimed did not exceed twenty-five thousand dollars (\$25,000);
20 (3) the individual has owned the real property, mobile home, or
21 manufactured home for at least one (1) year before claiming the
22 deduction; or the individual has been buying the real property,
23 mobile home, or manufactured home under a contract that
24 provides that the individual is to pay the property taxes on the real
25 property, mobile home, or manufactured home for at least one
26 (1) year before claiming the deduction, and the contract or a
27 memorandum of the contract is recorded in the county recorder's
28 office;
29 (4) the individual and any individuals covered by subdivision
30 (2)(B) reside on the real property, mobile home, or manufactured
31 home;

(5) the assessed value of the real property, mobile home, or manufactured home does not exceed one hundred forty-four thousand dollars (\$144,000); and

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

- (1) one-half (1/2) of the assessed value of the real property; or
- (2) ~~six~~ **twelve** thousand **four hundred eighty** dollars (~~\$6,000~~).
(\$12,480).

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

- (1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or
- (2) ~~six~~ **twelve** thousand **four hundred eighty** dollars (~~\$6,000~~).
(\$12,480).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

- (1) tenants by the entirety;
- (2) joint tenants; or
- (3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

- (1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
- (2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;
- (3) the surviving spouse has not remarried; and
- (4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the

deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 14. IC 6-1.1-12-11, AS AMENDED BY P.L.291-2001, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except as provided in section 40.5 of this chapter, an individual may have the sum of ~~six~~ **twelve** thousand **four hundred eighty** dollars (~~\$6,000~~) (**\$12,480**) deducted from the assessed value of real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns, or that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

(1) the individual is blind or the individual is a disabled person;

(2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence; and

(3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars (\$17,000).

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "disabled person" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

(1) can be expected to result in death; or

(2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) Disabled persons filing claims under this section shall submit proof of disability in such form and manner as the department shall by rule prescribe. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) A disabled person not covered under the federal Social Security Act shall be examined by a physician and the individual's status as a disabled person determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 15. IC 6-1.1-12-13, AS AMENDED BY P.L.291-2001,

SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Except as provided in section 40.5 of this chapter, an individual may have ~~twelve~~ **twenty-four** thousand ~~nine hundred sixty~~ dollars ~~(\$12,000)~~ **(\$24,960)** deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office and if:

- (1) the individual served in the military or naval forces of the United States during any of its wars;
- (2) the individual received an honorable discharge;
- (3) the individual is disabled with a service connected disability of ten percent (10%) or more; and
- (4) the individual's disability is evidenced by:
 - (A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 16. IC 6-1.1-12-14, AS AMENDED BY P.L.272-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of ~~six~~ **twelve** thousand ~~four hundred eighty~~ dollars ~~(\$6,000)~~ **(\$12,480)** deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile

home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

- (1) the individual served in the military or naval forces of the United States for at least ninety (90) days;
- (2) the individual received an honorable discharge;
- (3) the individual either:
 - (A) is totally disabled; or
 - (B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%); and
- (4) the individual's disability is evidenced by:
 - (A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds one hundred thirteen thousand dollars (\$113,000).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 17. IC 6-1.1-12-16, AS AMENDED BY P.L.291-2001, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Except as provided in section 40.5 of this chapter, a surviving spouse may have the sum of ~~nine~~ **eighteen** thousand ~~seven hundred twenty~~ dollars ~~(\$9,000)~~ **(\$18,720)** deducted from the assessed value of his or her tangible property, or real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the surviving spouse is buying under a contract that provides that he is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

- (1) the deceased spouse served in the military or naval forces of the United States before November 12, 1918; and
- (2) the deceased spouse received an honorable discharge.

(b) A surviving spouse who receives the deduction provided by this section may not receive the deduction provided by section 13 of

1 this chapter. However, he or she may receive any other deduction
2 which he or she is entitled to by law.

3 (c) An individual who has sold real property, a mobile home not
4 assessed as real property, or a manufactured home not assessed as real
5 property to another person under a contract that provides that the
6 contract buyer is to pay the property taxes on the real property, mobile
7 home, or manufactured home may not claim the deduction provided
8 under this section against that real property, mobile home, or
9 manufactured home.

10 SECTION 18. IC 6-1.1-12-17.4, AS AMENDED BY
11 P.L.272-2003, SECTION 3, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE UPON PASSAGE]: Sec. 17.4. (a) Except as provided in
13 section 40.5 of this chapter, a World War I veteran who is a resident of
14 Indiana is entitled to have the sum of ~~nine~~ **eighteen** thousand **seven**
15 **hundred twenty** dollars ~~(\$9,000)~~ **(\$18,720)** deducted from the
16 assessed valuation of the real property (including a mobile home that is
17 assessed as real property), mobile home that is not assessed as real
18 property, or manufactured home that is not assessed as real property
19 the veteran owns or is buying under a contract that requires the veteran
20 to pay property taxes on the real property, if the contract or a
21 memorandum of the contract is recorded in the county recorder's
22 office, if:

23 (1) the real property, mobile home, or manufactured home is the
24 veteran's principal residence;

25 (2) the assessed valuation of the real property, mobile home, or
26 manufactured home does not exceed one hundred sixty-three
27 thousand dollars (\$163,000); and

28 (3) the veteran owns the real property, mobile home, or
29 manufactured home for at least one (1) year before claiming the
30 deduction.

31 (b) An individual may not be denied the deduction provided by this
32 section because the individual is absent from the individual's principal
33 residence while in a nursing home or hospital.

34 (c) For purposes of this section, if real property, a mobile home,
35 or a manufactured home is owned by a husband and wife as tenants by
36 the entirety, only one (1) deduction may be allowed under this section.
37 However, the deduction provided in this section applies if either spouse
38 satisfies the requirements prescribed in subsection (a).

39 (d) An individual who has sold real property, a mobile home not
40 assessed as real property, or a manufactured home not assessed as real
41 property to another person under a contract that provides that the
42 contract buyer is to pay the property taxes on the real property, mobile
43 home, or manufactured home may not claim the deduction provided
44 under this section with respect to that real property, mobile home, or
45 manufactured home.

46 SECTION 19. IC 6-1.1-12-18, AS AMENDED BY P.L.90-2002,
47 SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
48 UPON PASSAGE]: Sec. 18. (a) If the assessed value of residential real
49 property described in subsection (d) is increased because it has been

rehabilitated, the owner may have deducted from the assessed value of the property an amount not to exceed the lesser of:

- (1) the total increase in assessed value resulting from the rehabilitation; or
- (2) ~~nine~~ **eighteen** thousand **seven hundred twenty** dollars ~~(\$9,000)~~ **(\$18,720)** per rehabilitated dwelling unit.

The owner is entitled to this deduction annually for a five (5) year period.

(b) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure which are intended to increase the livability, utility, safety, or value of the property under rules adopted by the department of local government finance.

(c) For the purposes of this section, the term "owner" or "property owner" includes any person who has the legal obligation, or has otherwise assumed the obligation, to pay the real property taxes on the rehabilitated property.

(d) The deduction provided by this section applies only for the rehabilitation of residential real property which is located within this state and which is described in one (1) of the following classifications:

- (1) a single family dwelling if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed ~~eighteen~~ **thirty-seven** thousand **four hundred forty** dollars ~~(\$18,000);~~ **(\$37,440);**
- (2) a two (2) family dwelling if before rehabilitation the assessed value (excluding exemptions or deductions) of the improvements does not exceed ~~twenty-four~~ **forty-nine** thousand **nine hundred twenty** dollars ~~(\$24,000);~~ **(\$49,920);** and
- (3) a dwelling with more than two (2) family units if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed ~~nine~~ **eighteen** thousand **seven hundred twenty** dollars ~~(\$9,000)~~ **(\$18,720)** per dwelling unit.

SECTION 20. IC 6-1.1-12-22, AS AMENDED BY P.L.90-2002, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated and the owner has paid at least ten thousand dollars (\$10,000) for the rehabilitation, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period. However, the maximum deduction which a property owner may receive under this section for a particular year is:

- (1) ~~sixty one~~ **hundred twenty-four** thousand **eight hundred** dollars ~~(\$60,000)~~ **(\$124,800)** for a single family dwelling unit; or
- (2) ~~three six~~ **hundred twenty-four** thousand dollars ~~(\$300,000)~~ **(\$624,000)** for any other type of property.

(b) For purposes of this section, the term "property" means a building or structure which was erected at least fifty (50) years before the date of application for the deduction provided by this section. The term "property" does not include land.

(c) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or value of the property under rules adopted by the department of local government finance.

SECTION 21. IC 6-1.1-12.1-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) Section 4 of this chapter applies to economic revitalization areas that are not residentially distressed areas.

(b) This subsection applies to economic revitalization areas that are residentially distressed areas. The amount of the deduction that a property owner is entitled to receive under section 3 of this chapter for a particular year equals the lesser of:

(1) the assessed value of the improvement to the property after the rehabilitation or redevelopment has occurred; or

(2) the following amount:

TYPE OF DWELLING	AMOUNT
One (1) family dwelling	\$36,000 \$74,880
Two (2) family dwelling	\$51,000 \$106,080
Three (3) unit multifamily dwelling	\$75,000 \$156,000
Four (4) unit multifamily dwelling	\$96,000 \$199,680".

Page 100, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 70. [EFFECTIVE UPON PASSAGE] (a) **IC 6-1.1-12-9, IC 6-1.1-12-11, IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, and IC 6-1.1-12-17.4, all as amended by this act, apply only to property taxes first due and payable after December 31, 2003.**

(b) **The amendments to IC 6-1.1-12-18, IC 6-1.1-12-22, and IC 6-1.1-12.1-4.1 by this act apply:**

(1) to property taxes first due and payable after December 31, 2003; and

(2) regardless of whether a taxpayer's initial deduction in the five (5) year deduction period under IC 6-1.1-12-18, IC 6-1.1-12-22, or IC 6-1.1-12.1-4.1 applied to property taxes first due and payable before January 1, 2004."

Renumber all SECTIONS consecutively.

(Reference is to SB 1 as printed November 21, 2003.)

Senator LANANE